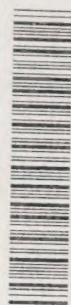


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GEOGRAPHY

Australia covers a total area of 7,7 million km², which is mostly low plateau with deserts. The fertile plain is situated in the Southeast, and the population (17.9 million in 1994, expected to grow at a rate of 1.3 percent per year until the year

2000) is concentrated along the eastern and southeastern coasts. The climate is generally arid to semi-arid; it is temperate in the South and East, and tropical in the North.



DEMOGRAPHICS

Ninety-five percent of the population is Caucasian, 4 percent is Asian, and 1 percent is aboriginal. About 26 percent of Australians belong to the Church of England. Roman Catholics account for another 26 percent. Other Christian religions make up about 24 percent of the population.

Eighty-five percent of the population is urban.

Nearly all farms in the outback are cattle or sheep stations, and the lives of people who live on the stations tends to be extremely isolated.

Australians enjoy one of the highest standards of living in the world. As of 1995, the human development world rank of Australia was 11 of 174.

ECONOMIC OVERVIEW

Australia has a prosperous western style capitalist economy (world competitiveness rank is 14 of 48), with a per capita GNP comparable to levels in industrialized Western European countries (GNP per capita: US\$17,500 in 1993, with an annual growth of 1.6 percent between 1980 and 1993). Australia has suffered from the low growth and high unemployment characterizing the OECD countries in the early 1990s. In 1994, real GDP grew 5.1 percent, due mainly to a rebound in business investment. The Australian economy is enjoying a period of sustained, moderate growth. In 1995, real average GDP growth was expected to slow to 4.2 percent. This is due to a consolidation in the business sector, and the moderating effects of a tightening of monetary policy in late 1994. Growth in the mid-level of 3 percent is expected in the medium-term thereafter. Australia currently is well positioned for continued solid economic growth, with very little in the way of unfavourable indicators. With increasing links to the dynamic economies in the Asia-Pacific region, and a continuation of economic reform, Australia's trade and investment climate will be attractive for the foreseeable future. The principal growth sectors are mining and energy resources, agricultural resources, value added processing and manufacturing, high technology, services and tourism.

The economic recovery over the past four years has effectively dealt with the lingering effects of the severe recession of 1990-92. During that period, weak world demand, combined with government efforts to rein in an overheating economy, saw company profits tumble and economic conditions sour. The recovery, initially, was relatively weak, with considerable stimulus from the government failing to have any effect. This was especially prevalent in the labour market, with Australia posting unemployment levels not seen since the Great Depression.

However, a significant drop in mortgage interest rates soon led to a housing boom, with mortgage approvals rising to record highs. As the main locomotive force for the recovery, private dwelling investment pulled the economy forward, assisted by

strong exports and low inflation. It was not until mid-1994 that the housing boom began to subside.

Australia's main economic concern is its high external deficit, driven by continued foreign borrowing, and a high domestic propensity to consume imported goods. The current account deficit is forecast to change little over the next year, as the gains from stronger net exports are eroded by higher debt service payments. Despite a significant reduction in the federal government's budget deficit for 1996, Australia's balance of payments will continue to weigh down a buoyant economy.

The government uses both fiscal and monetary policy to influence the economy. Previously, in an effort to overcome the effects of the early-1990s recession, the government undertook an expansive (and expensive) program of fiscal stimulus, aimed mainly at the labour market. The results, at least initially, were disappointing from the perspective of cutting unemployment. Combined with a subsequent easing of monetary policy, however, economic growth responded strongly.

With the recovery complete, the government is now reducing the amount of fiscal and monetary stimulus it injects into the economy. In the 1996 budget, the government announced a reduction in this program of expenditures. This, combined with an increase in official interest rates of 2.75 percent in the latter half of 1994, has reduced the chance of economic overheating.

The government also has responded to calls to reduce its budget deficit. The 1996 budget announced a \$9.5 billion turnaround in the budget balance to a surplus of around \$500 million. Although some commentators are skeptical of the government's ability to deliver the surplus, its efforts to achieve this result are significant.

Australia commenced a basic reorientation of its economy more than 10 years ago, and is transforming itself from an inward-looking, import-substitution country to an internationally competitive, export-oriented one. Key reforms include the unilateral reduction of high tariffs and other protective barriers; floating the Australian dollar exchange rate; deregulating the financial services sector (including a decision in late

1992 to allow liberal access for foreign bank branches); rationalizing and reducing the number of trade unions; efforts to restructure the highly centralized system of industrial relations and labour bargaining; better integration of the State economies into a national federal system; improvement and standardization of the national infrastructure; and privatizing many government-owned services and some public utilities.

The ultimate goal is for Australia to become a competitive producer and exporter, not just of traditional farm and mineral commodities, but of a diversified mix of value-added manufactured products, services and technologies. While progress has been made on this economic reform

agenda (such as in the oligopolistic telecommunications market, now responsive to competition), much remains to be done. Herein, lie some of the most promising opportunities for American business and investment.

While the near-term outlook is for continued economic expansion, Australia's longer-term prospects depend heavily on continued fundamental economic reform. There is a general consensus among the major political parties, management and labour on the necessary features of this reform, but there is a significant divergence of views on the methods, pace and degree of change required.

POLITICAL OVERVIEW

Australia is a stable democracy with a federal parliamentary state. All of Australia's major political parties seek to promote growth and encourage investment, including investment from abroad. There is a large private sector, and major privatization programs are underway.

Australia is a leading advocate of trade and investment liberalization. There are no major political issues that detract from the business climate or the stability of the bilateral trading relationship between Canada and Australia. All of Australia's major political parties seek to promote growth and encourage investment, including investment from abroad. Although there are differences in approach, both leading parties

strongly support Australia's internal economic restructuring to transform the country into a globally competitive trading nation.

Other policy directions that attract equally universal support include Australia's desire to define itself as a part of the dynamic Asia-Pacific region, as well as efforts to upgrade its mix of exports in order to reduce reliance on basic commodities and increase sales of value-added products. There is also broad political approval for federal and state government programs to privatize public services so as to reach world quality standards, and for labour and work force reforms aimed at the world's "best practice".

The year 1995 marked the 100th Anniversary of Canada's official trade relations with Australia. Initially, bilateral trade was built on the exchange of more traditional commodities such as minerals, metals, forest products, chemicals and agricultural products. These remain an important underpinning of the Canada-Australia trading relationship. Canada remains a valuable source of wood pulp, lumber, sulphur and other chemicals, and salmon.

In more recent years, however, there has been a surge in Canadian value-added manufactured exports to Australian customers, such as computers, telecommunication and biotechnology equipment, defence technology, mining equipment, industrial machinery, motor vehicles and engines. The value and quantity of these products now account for over 75 percent of Canadian export sales and are often exported by small- and medium-sized companies.

Bilateral trade is running at over \$2 billion per year, making Australia Canada's 5th largest trading partner in the Asia-Pacific region, after Japan, China, Korea and Taiwan. Strong investment linkages have also grown through the years. Canadian investment in Australia is estimated at over \$2 billion, ranging from mining, media, agro-industry and manufacturing.

Australia is Canada's fourteenth largest market, and more importantly perhaps, it is among

Canada's most important markets for manufactured goods. In fact, more than three-quarters of Canada's exports are manufactured goods and end-products, often exported by small- and medium-sized companies.

There is a natural affinity between Canada and Australia, the result of a shared Commonwealth heritage, common language, similar legal and regulatory systems, and a mutually satisfactory trading relationship pre-dating the arrival of John Larke, Canada's first Trade Commissioner, in Sydney in 1894.

In addition, the preferential tariff rates accorded to approximately 17 percent of Canadian exports under the Canada-Australia Trade Agreement (CATA) offer advantages to some Canadian producers. However, the high rate of unbound tariffs (57 percent by value of Australian imports) and the consequent ability of the Australian government to unilaterally raise or lower tariffs, makes competitive access more precarious. More recently, Australia has embarked on a unilateral tariff reduction program that reduced most tariffs to either 0 or 5 percent by the end of 1996. This program will improve access to the marketplace for Canadian exporters, although there may be less scope for preferential tariff treatment as general rates are reduced.

HOUSING CONDITIONS

Australia is one of the world's most urbanized countries. More than four-fifths of the people live in cities and towns. About two-thirds of all Australians live in cities of more than 100,000 people. These cities include the federal capital, Canberra, and the six state capitals. The state capitals, in order of size, are Sydney, New South Wales; Melbourne, Victoria; Brisbane, Queensland; Perth, Western Australia; Adelaide, South Australia; and Hobart, Tasmania. Sydney and Melbourne are by far the biggest cities in Australia.

Most city dwellers in Australia live in the residential areas that extend outward from the central business district. Australian cities have few apartment buildings. Most families live in single-storey houses, each with its own yard and garden (suburban bungalows). About 75 percent of families own their houses. Most older houses are made of wood, and most newer ones are built of bricks.

Only about 15 percent of Australia's people live in rural areas. The largest stations cover over 2,600 km² and so may be 160 km or more from the nearest town. Most farm families own their farms and live comfortably. Older farmhouses are

built of wood and surrounded by a veranda. Newer farmhouses are constructed of bricks.

The total housing stock at the end of 1993 was 6.5 million units, with 156,000 new dwellings completed that year. There was a decline in new housing starts of 13 percent for 1995-96 over 1994-95, and a lowering of consumer confidence under the weight of higher interest rates. However, the renovations and additions market is growing strongly and is expected to continue to do so over the next two years.

In 1992, 5.1 percent of GDP was invested in residential construction. The total annual expenditure on housing represented US\$32.5 billion in 1993, or US\$1,848 per capita (10.4 percent of GNP per capita).

There are no specific code and standard barriers for housing, except for normal state and local regulation of development.

Australia possesses a large number of competent local builders and developers. Conbuild '96, the 6th International Australian Building and Construction Exhibition, was held from October 30 to November 2, 1996 at the Sydney Convention and Exhibition Centre, Darling Harbour.

HOUSING SECTOR

Overview

In 1994, real GDP grew 5.1 percent, due mainly to a significant rebound in business investment. In 1995, GDP growth slowed to 4.2 percent. This was due to a consolidation in the business sector and the moderating effects of a tightening of monetary policy in late 1994. Growth in the mid-3 percent level is expected in the medium term.

Export performance continues to strengthen as global demand stabilizes. Employment will also be assisted by positive economic growth, with the unemployment rate slowly returning to pre-recession levels. Inflation is predicted to remain relatively low, with only moderate upward pressure from wages and the effect of a weaker currency.

Australia's main concern is its high external deficit, driven by continued foreign borrowing, and a high domestic propensity to consume imported goods. Gains from stronger net exports are eroded by higher debt service payments. Despite a significant reduction in the federal government's budget deficit for the year 1995-96, Australia's balance of payments will continue to weigh down a buoyant economy.

The housing industry occupies a significant position in the Australian economy because of its:

- direct economic activity through capital expenditure and employment;
- provision of social goods with major impacts on the welfare of the community;
- constitution of a significant form of community saving through asset investment and improvement and capital appreciation of those assets; and
- multiplier effect on associated industries linked to the provision of housing.

Major Participants in the Housing Industry

The process of establishing housing for a family dwelling can be considered to be of three stages, not necessarily sequential. Table 1 illustrates this process.

Government

The Australian government (Commonwealth, State/Territory, and Local) is active in the housing sector, through the Department of Housing and Regional Development, and a number of other institutions. Among the areas of concern and

Table 1:
Process of Establishing Housing for a Family Dwelling

Stage	Process	Key Players
Raw Land converted to serviced allotments	Subdivide and service	Local councils and developers Infrastructure agencies
House Construction	Design and construct	Architects Building companies Subcontractors Trade Unions Building materials manufacturers Local councils Potential homeowner
Home-ownership	Sell and finance	Project builders Investors Real Estate Agents Home-owners Banks and building societies

research are urban consolidation and the desired increase in mid-rise and highrise construction, the introduction of new technologies, and providing appropriate training to the housing construction work force.

In addition, federal and state governments provide housing or financial assistance to low-income groups. The bulk of Commonwealth financial assistance for housing is provided to the states and territories through the Commonwealth-State Housing Agreement (CSHA). A priority under the Agreement which was announced in the 1992-93 budget was the introduction of a new Community Housing Program. In addition, the Social Housing Subsidy Program was announced as a new initiative to increase the supply of affordable housing.

A housing authority exists in each state and territory which is responsible for home construction, home loans, and the provision of homes on a rental basis.

Private

MBA: Master Builders Association

HIA: Housing Industry Association

For land development: specialist development companies such as Delfin, large speculative builders such as Long Corporation, smaller specialist developers, farmers, and real estate agents.

Relevant Regulatory Systems

Housing framing methods in Australia, particularly the timber-frame system and the non-reinforced masonry system, have evolved through tradition and adaptation. The Australian houses were designed to resist mainly gravity loads (dead and live loads) and wind loads up to 1993. Since the 1989 Newcastle earthquake in New South Wales, more requirements have been introduced for earthquake resistance especially for non-reinforced masonry construction on soft soil sites. One special feature of the Australian system is the requirements for testing of products for cyclone prone areas. Only a very small area of Australia requires snow consideration.

The main lateral load-resisting systems in Australian houses are walls. The basic concept of

structural design is described in the Masonry Code of Practice and regulated by the Standard AS 3700. The Australian system requires that sites be classified as stable, reactive or problem and then footings be designed accordingly. The system is described in AS 2870.

Because of the diversity of climate and lifestyle in Australia, concepts for obtaining thermal comfort also vary. In colder climates, buildings generally incorporate reasonably high levels of thermal insulation. Roof and wall insulation is now mandatory in Victoria which is one of the cooler states and it is being considered in other states. In milder climates, some buildings do not include materials added specifically for the purpose of thermal insulation.

Australian standard AS 2107 recommends interior sound levels for different areas of the house. Two Australian standards which provide guidance on the acoustical design of buildings, but which are not enforced legally are AS 2021 and AS 3671. They deal with general area zoning as a means of providing protection from aircraft noise and road traffic noise respectively. The only legally enforced sound insulation requirements in Australia are those based on part F5 of the Building Code of Australia (BCA).

Durability requirements are always specified for the service environment that is defined on a number of levels:

- “climatic” zone within Australia;
- geographic position within given climatic zone;
- position within building; and
- immediate surrounds.

Timber framing details for joints and components are given in AS 1684 — National Timber Framing Code. This code has been modified for each state to reflect the different conditions, practices and materials. Australian standards that address durability considerations for timber products include:

- AS 1604: preservative treatment for sawn timber, veneer and plywood; and
- AS 1694, AS 2057, and AS 3660: protection of buildings from subterranean termites.

Housing as a National/Sub-Regional Priority

The Australian government established a National Housing Strategy in June 1990. The strategy was undertaken in close cooperation with State Housing Authorities and in consultation with relevant Commonwealth, State, Territory and local government, non-government and other agencies. The aim of the strategy is to develop a policy of housing reform that responds to the diverse and changing needs of all Australians and which can be sustained over the next two decades.

Specifically, it seeks to:

- gain a better understanding of Australia's housing needs now and in the future;
- examine innovative mechanisms that will make quality housing more affordable, particularly for people with low to moderate incomes;
- focus on what is appropriate housing, giving special attention to those who are poorly housed or disadvantaged, and to people's differing needs through their lives;
- determine mechanisms that can regulate and assist the efficient supply of housing; and
- explore ways of obtaining better links between housing, employment opportunities, community services and aspects of urban infrastructure, such as transportation, to ensure minimum location disadvantage.

From 1990 to December 1992, a series of papers on various issues related to these objectives were published.

The National Urban Development Program (NUDP) was announced in the 1992

Commonwealth Budget, in order to achieve better integration and coordination of a range of urban reform initiatives. It encompasses and builds on a number of urban reform initiatives and includes the following key elements:

- continuation of the Housing Industry Development Program including development and implementation of the Australian Model Code for Residential Development (AMCORD) and the higher density housing code (AMCORD: URBAN), the Green Street

Program, the Local Approvals Review Program, research into housing industry and urban issues and demonstration activities;

- incorporation of integrated local area planning involving the development and adoption of strategic local area plans covering housing, transport, community services and employment opportunities; and
- analysis of information on the capacity of current urban infrastructure, to enable more efficient use of such resources.

There has been a considerable level of innovation in the housing industry particularly through deregulation, in the provision of housing finance, and in regulations affecting both the costs of subdivision development and increasing densities. These include:

- improved access to housing through direct public provision and various subsidies to facilitate home-ownership;
- tenancy reform in the public and private sector;
- new finance products;
- social planning associated with public provision of housing both in the provision of community facilities and establishing a demographic mix in the population; and
- changing the relationship between housing and the land development industry, through local government planning and building regulations.

Key Housing Market Institutions

Government Agencies

- The Department of Housing and Regional Development.
- The Department of Industry, Science and Technology advises the Government on industry, including manufacturing and service industries, science and technology and small to medium enterprises. It is also responsible for Australia's industry, trade and export finance policy, international collaboration and industry economic research.
- The Indicative Planning Council for the Housing Industry is the peak advisory body to the federal government on the housing

industry outlook and includes representation from industry bodies, practitioners and trade unions and from Commonwealth, State and local government. The National Council is supplemented by Committees in each state and territory.

- The Australian Housing Industry Development Council was established to provide advice to the Minister for Health, Housing and Community Services and other relevant Ministers on housing supply issues. The Council has three broad areas of work: industry development, regulatory reform and urban form issues.
- The Australian National Training Authority was established in 1992 and designed to implement the far-reaching competency-based industrial training envisaged in the Carmichael Report.

State government bodies play a significant and increasing role in the release of residential land for development. Relevant bodies include Landcom, New South Wales Government authority, Urban Land Authority (Victorian Government), South Australian Land Trust, Landcorp—property division of Western Australian Development Corporation, and Queensland Department of Housing and Local Government. These bodies develop land, some of which is used for public housing while the remainder is often sold to builders and developers. Various state housing authorities construct housing units on this land for public rental.

Standards and Codes Organizations

- The Australian Building Codes Board.

State of Local Housing Markets

There is currently an oversupply of housing in Australia. This is shown by the relatively high vacancy rates that most capital cities are experiencing.

The Australian housing industry is subject to boom and bust cycles which create large fluctuations in demand. After a severe recession in 1990-91, the housing sector experienced strong growth in 1992-94. In 1994, there was a record level of housing starts (177,900), which surpassed

the previous high in 1988-89. During the period 1992-93 to 1994-95, dwelling starts exceeded the Indicative Planning Council's estimate of underlying requirements for new dwellings by almost 90,000 and created an oversupply of dwellings of around 49,000. Housing activity has now been in decline since the peak in dwelling starts in the end of the third quarter of 1994. The Indicative Planning Council for the Housing Industry forecasted that new dwelling starts (including conversions) would fall to 119,000 in 1995-96 from 170,100 in 1994-95. The decline is likely to continue until existing levels of oversupply have been absorbed.

The industry is dominated by single-detached housing. The size of new detached houses has grown steadily over time. In the early 1970s, the living area of private houses averaged approximately 130 m². Today, the average size is 200 m².

Medium density housing has increased in prominence in recent years, with a shift in housing starts from houses to "other" residential dwellings that accounted for 25.8 percent of total housing starts in 1991-92, 27.5 percent in 1992-93, 28.9 percent in 1993-94 and 31.1 percent in 1995-96. Over half of current medium-density development approvals are for semi-detached dwellings (townhouses, villas, etc.) as opposed to traditional flats and units. On the East Coast, Traditional Neighbourhood Development (TND) is responding to consumer demands for the character of traditional American neighbourhoods. The federal government, in conjunction with state authorities, is actively pursuing a policy of greater urban consolidation. Activities are underway to substantially reduce the major impediments to medium-density construction. However, the largest falls in dwelling starts activity in 1995 have occurred in private "other" dwellings. Declines in starts have been greater in this sector due to the oversupply that built up during 1994-95, particularly with respect to "other" dwellings located on the fringes of major urban areas.

Renovation expenditure is a significant part of the total investment in dwellings. According to the Australian Bureau of Statistics (ABS) figures, expenditure on the retrofit market as a proportion of total expenditure on dwellings has ranged between 35 and 40 percent in the past ten years.

State of Local Distribution Systems

Distribution is dominated by the wholesale trade. The retail trade sector is also relevant, although significantly smaller. Through the retail trade, many items are purchased by householders for "Do It Yourself" projects. The structure of the wholesale trade has undergone significant change. Improved communications, computerized stock handling and ordering, bar codes and other innovations have improved the efficiency of delivery from manufacturer, to distributor and end-user. There has also been a shift towards a greater concentration of distributors.

Tradesmen with a Builder's Licence engaged in actual on-site work generally order materials for the project by telephone two to three days prior to them being required on the job site. There is little time to obtain a competitive price and this individual usually deals with suppliers and contractors that are known personally and can be contracted after hours. Tradesmen with a Builder's License who prefer to contract out the on-site building of the project and supervise the process, generally plan ahead and pre-arrange the materials required to build the project. Large-sized builders use sophisticated accounting, design and purchasing systems. Builders that have a computer system to generate orders generally produce the orders for the whole project and allocate them to suppliers prior to their commencement on site. When the goods are required, the supplier is notified to deliver the goods to the site by a certain date. In most instances, there is a computer order system in place. An estimator is employed to administer the process of generating the orders and ensuring the best available deals.

State of Local Transportation Networks

Rail, air and sea transport play lesser roles than road transport. Road transport is more efficient, as bulk materials can be taken directly to the site without going through an intermediate handling stage. Moreover, it is generally recognized that Australia's rail transport system is inefficient, unreliable, prone to deliver damaged goods and is considered too costly. Significant changes will have to be made before rail transport can become a more important part of the distribution process.

Organization of the Local Housing Industry and Capabilities

There is intense competition in the building industry in Australia.

The Australian house building industry is fragmented, with the largest firm accounting for only 5 percent of the national market, and the top twenty firms holding just over 20 percent of the market; the remainder is made up of a large number of small project builders with an average size of less than three employees per firm. However, there is a slow process of concentration occurring. Barriers to entry in the industry are not high, but to gain market share and ensure long term survival, it is necessary to have the financial resources to withstand intense price competition and acquire well-located land holdings.

House building firms range from those building as few as one home per year up to the largest company which builds several thousand. Residential construction establishments are distributed across the states and territories generally in line with relative populations. House builders tend to confine their operations within one state or region within a state. The residential construction industry is dominated by owner-operated establishments. Larger firms tend to have professional managers, some of whom have never been builders. Many owner-operators chose to retain a hands-on approach to home building, keep administrative costs and other overheads in check, and have a greater degree of control over the activities of the establishments. Some small custom builders, particularly those servicing the top-end of the market, are often at the forefront of new design and construction techniques. However, generally the larger builders (speculative and contract) lead the way in this area. The larger companies tend to specialize in the first-home market and homes in the middle range of the market.

The more successful participants in the industry tend to adopt the following:

- Strict maintenance of cash flow. Project management, involving conservative gearing and constant monitoring of material supplies and labour availability is essential. Each job needs to be constantly monitored through

individual cost control systems to provide adequate margins;

- Geographic and market diversification;
- Access to well located land holdings suitable for development;
- Conservative land holding policies. In a cyclical industry, sharp downturns are inevitable and companies with large inventories face heavy holding costs while investments in display and “spec” homes can become a burden;
- Firm contracts rather than “spec” construction; and
- Adequate market research to monitor population movements, changing age, family structures, to identify pockets of demand and dwelling style preferences.

There is a view among some of the larger, professionally managed home building companies that small builders will find it increasingly difficult to remain viable in the future. Some also argue that increased concentration will lead to more innovation and a more rapid spread of new products and techniques.

Contract building dominates detached house construction in Australia. Cancellation of contracts is a major problem during a downturn. Speculative house construction has become less important over time. All “other” residential construction is speculative. Speculative builders are well placed to be the driving force behind the introduction of new technologies and products.

In contrast, the building materials industry is highly concentrated, capital intensive and active in acquisitions. An important feature of the building products sector is ongoing internationalisation. The key participants are Boral Limited; CSR Limited; Pioneer International Limited and James Hardie Industries Limited accounting for up to 90 percent of industry turnover. All participants in this market are cost and price competitive. Most product segments have between two and four major players. The timber market, however, is less concentrated than the plasterboard, fibro cement, roof tiles, steel frames and brick-making markets. The production of bulk products tends to be characterized by high volumes and relatively low

margins. The issue of increased concentration in the production of bulk building products is of concern to some builders and raises questions about the efficiency of materials supply to the residential construction sector. An alternative point of view is that the concentration which currently exists in building materials manufacture is the outcome of a long process of structural adjustment in the industry. The achievements of economies of scale is important in the Australian manufacturing context because of the relatively small size of the domestic market.

ABS figures indicate that “owner-builders” constitute around 30 percent of private house starts.

Housing other than highrise residential is predominantly organized around small-scale builders working with independent sub-contractors on a craft basis. This structure, which has almost no unionization, is in tune with emerging trends in the manufacture and service industries. It emphasizes the value of flexibility achieved through the greater use of contract labour.

Sub-contractors, working as individuals or in small teams, compete with one another on cost and quality for fixed price quotes, bearing all the responsibilities for cost management, insurance and workers compensation. Builders take on the responsibility for managing the total building process, sequencing the use of sub-contractors across a number of sites and usually building up relationships with preferred sub-contractors.

A variety of factors encourage proliferation of trade sub-contractors, including the variety of specialist trade tasks, the labour intensity of these work tasks, the fluctuating nature of the housing market, and the prevalence of the small building firm. While the sub-contract system is highly efficient in terms of cost and industrial relations, it has three major weaknesses which affect innovation: its inability to adequately support skill formation; the difficulty in introducing new methods when work procedures are largely standardized and governed by tradition; and a problem in transferring knowledge of new methods to a scattered workforce.

While a certain degree of multi-skilling occurs, especially during down cycles, builders consider that the greatest efficiencies and quality derive from skill specialization. However, in the

renovations and additions sector, multi-skilled builders undertake most tasks except those requiring inspection approval, such as major electricity and plumbing.

Competition ensures that generally home building is technically efficient and of high quality in Australia. The production process in the house building industry is still predominantly cottage industry model, though there has been a substantial move to off-site production of specific components. This has been driven by the need to

reduce on-site costs. In addition, there has been a desire to obtain some of the advantages available to mass production under factory conditions—namely improved quality through automation of production processes, greater specialization, a controlled work environment, reduced inventory, and the application of new manufacturing management technologies such as Just-in-Time. As a consequence there has been considerable innovation in these building components sectors, such as framing, roofing, windows, bathrooms, kitchens, and stairs.

MATERIALS, LABOUR AND FINANCING

Materials

In many parts of Australia, land represents between 40 and 50 percent of the cost of an average house and land package.

Table 2:
Materials as a Large Proportion of the Construction Cost of a House

Materials	48%
Site Labour	24%
Other site costs	3%
Overheads	25%

Source: Greig, A W, Urban Research Program, Working Paper No. 28, November, 1991

Table 3:
Composition of Building Material Costs for a Typical Dwelling

Timber/joinery	33.8%
Metal products	17.4%
Concrete/cement products	15.5%
Clay brick/terracotta tiles	9.7%
Plaster products	6.5%
Other products	17.1%

Source: Indicative Planning Council for the Housing Industry (1988)

In the past year, the impact of lower demand and increased competition has forced materials suppliers to limit price increases. However, rationalized capacity and reduced inventory accumulation are expected to result in increased prices towards the end of 1996. The building materials manufacturing sector continues to

respond adequately to demand in the housing industry. The only shortages likely in the short-term are of select hardwood timbers, due to pressure from the "locking up" of more old-growth forests. Plantation replacements normally take some 50 to 60 years to provide suppliers and presently these plantations have only been in existence for up to 30 years. By contrast, there is no supply constraint with respect to softwood timbers as there are adequate pinewood plantations. Supplies of bricks, tiles and steel are adequate, with no shortages envisaged in the short-term.

Labour

Skilled vacancies for labour in the construction industry have fallen over the last twelve months as a result of lower residential construction levels. There is some concern that the long-term effects of the current downturn in activity may result in a permanent loss of skills in the housing industry, with consequences for the availability of skilled tradespeople when demand increases.

Financing

Following the deregulation of the banking system in 1984 and the introduction of foreign banks in 1986, the home lending industry has changed in profile, becoming more dynamic and varied. It has been characterized by new entrants and better competition, with the benefits of lower interest rates and a variety of products offered to new home buyers and more recently to existing borrowers. These new entrants have emerged due to the strong demand for housing funds over the last few years, the relatively weak competing demand from business, and the rapid growth of the superannuating and funds management industry over the recent years.

HOUSING MARKET ACTIVITY, NEED AND DEMAND

Local Technology

Many factors affect the use of building materials in Australia. They include availability, cost, durability, appearance, tradition and climatic conditions. Changes in any of these factors affect the use of materials, construction practice, and the characteristics of the housing stock. The majority of new houses approved in Australia were constructed using timber-frame with brick veneer exterior wall (64 percent). Masonry construction (i.e., double brick, stone and concrete wall) was the next most common (17 percent), followed by timber-frame with timber cladding (called “weatherboard”) (6 percent) and timber-frame with cement panels or planks (4 percent). Timber-frame with brick veneer exterior is the most popular framing and wall system in all states and territories except Western Australia and the Northern Territory, where double brick is the most common. In the Northern Territory, double brick is followed by aluminum and steel. Considering the framing system alone, about 75 percent of Australian houses are timber-framed. Metal framed housing constitutes 7 percent of national housing. The growth in medium-density housing, especially in inner-city areas, has seen a change in the ratio of clay bricks used in the dwelling market, replaced by concrete panels, concrete masonry and concrete blocks.

The size of the building materials market for residential construction is estimated to be A\$6 billion per annum.

- For roofing purposes, concrete tiles, steel sheeting and terracotta tiles respectively are the most popular materials of new dwellings in all states. For home improvement roofing projects, steel sheeting is most popular, followed by concrete tiles and terracotta tiles. This reversal is due to the affordability and ease of installing steel sheeting, which makes it a more common choice in the large re-roofing market. A higher level of “Do It Yourself” activity is evident for steel sheeting roofs, while tiled roofs generally require a skilled tradesman. Roof trusses are widely used, commonly, timber but occasionally steel.
- Fibreglass batts and foil backing are the most popular insulation materials in new dwellings.
- Lightweight frames are of local plantation pine timber and less frequently of hardwood. There is a trend to using prefabricated timber wall-frames. Steel framing gradually is becoming more widely used.
- Brick is the most popular external wall cladding material used in new dwellings, due to its aesthetic appeal, solidness and the perception amongst consumers that it offers insulation benefits. Concrete blocks and fibre cement are also used. Brick is equally popular in the home improvement market, although a larger variety of materials are used for external cladding, such as natural timber and steel sheeting. The three-storey timber-frame construction is being explored as an alternative to brick.
- In new dwellings, plasterboard is the most popular internal wall and ceiling lining material in all states, except Western Australia, where full brick dwellings are predominant. Fibre cement is the next most popular material used. Plasterboard is the most popular lining material used in the home improvement market in all states.
- Windows are timber or aluminum framed.
- Concrete is the new market leader for flooring in new dwellings in all states, particle board being the next most widely used material. Concrete is the dominant material across all states in the home improvement market. Timber strip flooring is also a significant material in the home improvement market, with its share in Victoria only marginally behind concrete. It is used widely for upper-storey house additions and decks or patios.
- In new dwellings, melamine laminate is the most popular bench top and cupboard door material used in all states. Melamine-faced board is second most popular, followed by

solid timber. Melamine laminate remains the leading material in the renovation market in all states for bench tops and cupboard doors in the kitchen, bathroom and laundry, followed by solid timber (mainly used for cupboard doors). Solid timber displays a significantly higher market share in the home improvement market compared to new dwellings. This is due to its increased level of usage for both bench tops and cupboard doors in both kitchens and bathroom renovations. This is driven by consumers in the home improvement sector being less price conscious than builders or home purchasers of new dwellings.

The growth in the retrofit market has provided new opportunities for timber and composite wall cladding. New materials include lightweight concrete, new timber-based products, steel, plastics, and composites.

Steel is produced in Australia by BHP in accordance with Australian Standards and can be classified into two categories: hot-rolled and cold-formed products.

Local Housing Activities

There is a widespread view among members of the Australian housing industry that it is a highly efficient, and internationally competitive industry, producing quality housing at a cost for value comparable with any overseas country. However, the fragmentation of the housing industry may act to slow the introduction of new technologies, products and designs. Because there are so many participants in the home building industry, and the majority of them are small, it is difficult for many builders to undertake research, accept additional risk from introducing new products and processes and ultimately capture the benefits for themselves. Larger firms tend to lead the way in introducing new ideas and processes into the mass market. Many of the innovations come from overseas, particularly from the U.S. New building techniques, products and processes often take longer to spread through the industry at large, as they are often less visible and require some experimentation and the acquisition of new skills—something which smaller builders can be reluctant to do because of the initial cost involved. Some of the builders at the forefront of

technical change in the industry estimate that it can take three, and some times more, years for innovation to spread throughout the residential construction industry.

Housing Need

The building materials manufacturing sector continues adequately to supply demand in the housing industry. The anticipated increase in the retrofit market is not expected to place significant pressure on materials supply.

There are reports of increases in exports of Australian manufactured goods; for example, clay pavers continue to gain an increasing market throughout Asia.

The housing industry is primarily geared to the production of detached dwellings. One of the critical issues for the longer term is whether the current structure of the industry (in the broadest sense) is appropriate for producing a greater proportion of attached or high-density housing.

The major impediments to innovation in the housing industry derive from the nature of the house building industry and the size and geographic spread of the housing market—reflected in six dominant themes:

- Under-capitalization (product of both the boom and bust cycle characteristic of the building industry and the localized nature of the housing market in which housing products are assembled or constructed on site by builders and sub-contractors).
- Fragmentation: fragmentation in the industry results from the geographic spread of the housing market, the small size of even the larger building firms, and the use of the cottage industry sub-contractor system for housing construction. The fragmented structure of the Australian housing industry has impeded it from either establishing closely integrated relationships with suppliers to jointly specify and develop new products, or achieving vertical integration of builders with suppliers. The industry has therefore been forced to rely on standard off-the-shelf products.
- Inadequate skill formation: trade training is one of the key issues confronting the housing industry. This situation is predicted to worsen

with the contraction in the pool of young workers during the 1990s at a time when Australia is facing an upward shift in the demand for housing.

- Industry and market caution: industry perceptions of strong market preference for traditional housing products are marked and probably reflect the market to which volume builders cater. Market resistance in the form of a strong perceived preference for brick houses with individualized presentation features is a significant feature inhibiting several types of innovation. Given the efficiency of the semi-industrialized “cottage” industry process achieved through high levels of competition and sub-contracting, innovative approaches to housing have to break through on a number of linked fronts—cost, production process, financial lending criteria and acceptable appearance.
- Regulation and standards.
- Inadequate research, development and design.

Factors Affecting the Demand for Housing

The economic recovery of the past two to three years has effectively eliminated the lingering effects of the severe recession of 1990-92. Australia currently is well positioned for continued solid economic growth.

A 1996 report by Standard & Poor indicates that the outlook for housing is one of subdued demand over the next two years, coming after a period of protracted growth. Oversupply of dwellings is expected to dampen overall activity levels into 1996-97. A marginal upturn is expected in 1996-97 with new dwelling starts increasing to 124,000. This recovery is expected to be modest in comparison with the first year in previous housing-cycle upturns.

The Indicative Planning Council for the Housing Industry expects underlying requirements for new dwellings to average just under 138,000 per year for the period 1995-96 to 1999-2000. The annual projections range from 148,000 in 1995-96 to 131,000 in 1999-2000.

The long-term trends in dwelling starts occur in response to changes in the underlying

demographics of the Australian population and hence in demand in the housing market.

Over-supply has developed (particularly in the attached dwelling market) due to starts having run in excess of underlying requirements for new dwellings for several years. In annual terms, overall activity is now expected to fall below underlying requirements as a correction to the oversupply.

The Indicative Planning Council estimated an oversupply of around 49,000 dwellings as of June 1995, and expected this to fall to around 20,000 dwellings by June 1996 and to 3,000 dwellings by June 1997, subject to the IPC forecasts for 1995-96 and 1996-97 being realized. The declines in activity are most marked in Queensland, South Australia and Western Australia, the states thought to have the largest oversupply of dwellings.

Notwithstanding the estimated oversupply in most states, there could still be pent-up demand in some market niches. This means that dwelling starts could increase in regions where there is unsatisfied demand, while activity in other areas in the same state could remain at low levels because of dwelling oversupply. The net result of this could be for total dwelling starts in the state to rise before aggregate oversupply is completely absorbed. This may be true for Queensland where the oversupply is heavily concentrated on the southern and northern fringes of the Brisbane metropolitan area, while there is some evidence that unsatisfied demand exists in other regions.

Steady growth in the retrofit market can be expected in the future, even though the home renovation market has been weak of late. The aging of the housing stock will continue to be a major factor behind this growth, as will continued growth in household incomes. Some also argue that the exemption of the family home from capital gains taxation has led to more spending on retrofitting. Growth in this sector is also supported by the conversion of old buildings to apartments.

The lower levels of new-dwelling construction have also had an impact on the demand for building materials. Building materials suppliers are continuing to expand into the exports market to compensate for declining domestic opportunities. It is expected that this activity will

continue, notwithstanding any future domestic market upturn.

Housing affordability is a key factor affecting housing demand in Australia. Improving affordability conditions over the past ten years, following financial deregulation in 1986, have been a key ingredient in the strength of activity during the last peak in housing cycle. Relatively stable house prices and low home-loan interest rates encouraged many to bring forward their home purchasing decisions, and contributed to the high levels of investor activity.

The predominant variable mortgage interest rate fell from a peak of 17 percent in April 1990 to 8.75 percent in September 1993, its lowest level since 1974.

Over the past year, the lower levels of demand, combined with a ready availability of resources (land, labour and materials), have resulted in subdued new dwelling prices. This has maintained favourable affordability, assisted by an environment where housing interest rates have been stable or falling.

The major drivers of innovation in the future are likely to be:

- Urban consolidation: requiring increased densities in both metropolitan and coastal settlement areas, which in turn increases pressure for integration of land development and house design and building, streamlining of the development and building approval processes, and development of new construction materials and techniques suited to higher-density house forms.
- Affordability: particularly for first home-buyers, single parent families and those out of the permanent full-time workforce.
- Environmental performance: particularly concerning infrastructure servicing, waste management, health and safety, acoustical privacy and energy conservation.
- Boom and bust cycle: requiring changes to the production systems to make them less vulnerable to the effects of the cycle, and the intense price and product differentiation pressures that arise during the bust phase.

- Life cycle flexibility: housing forms which are responsive to changing spatial needs and use requirements across the life cycle, and to changing relationships between work, home and leisure.
- Changing demographics: the increasing proportion of aged and retired people, the increasing proportion of children staying on in continuing education, an increasing number of households composed of several unrelated individuals sharing, and households getting smaller with those which have only one or two persons now approaching 50 percent of the total.

One area of substantial potential innovation in housing preference is in the manufactured housing community market. In the past, completely prefabricated houses have not been competitive against site building due to strict building regulations, union demands that unskilled workers be paid the same rates as tradesmen, the difficulty of arranging loan finance, problems with transporting wide loads on narrow roads, and a general consumer association of this form of housing with either holidays or poverty. However, mortgage housing finance is now accessible to purchasers of manufactured homes. To overcome the problem of narrow roads, manufactured houses are now transported to the site in sections which are then attached on site.

Kit homes tend to be more prevalent in non-metropolitan areas and can provide a moderately priced gateway into home ownership for those on modest incomes. One major market for manufactured (transportable) houses has been the retirement community. The retired are able to sell their established houses and trade down to a manufactured house, complete with a secure community environment, and have cash available for other purposes such as travel. As this market segment increases with the aging of the population, and ordinary suburban residential areas are unable to deliver the security and community highly valued by seniors, the demand for manufactured housing communities is expected to increase significantly. Further demand is also expected from first home-buyers, particularly among single parent families.

EXPORT OPPORTUNITIES AND STRATEGIES

Australia is one of Canada's top building materials markets, importing over \$110 million in 1994. Softwood lumber accounts for 81 percent of trade to the country. One of the attractions for Canadian exporters is the similarity of the housing market to ours. High quality products are in demand, but new construction, as in Canada, has slowed over the past few years, and renovation activity is accounting for a more significant share of the market for building materials. Australia's economic growth in 1995 remained stable and solid, at about 4 percent.

Historically, the housing industry has been insulated from international competition by the high transportation costs and local specificity of the product. Import competition is generally minimal due to low value to weight ratios and sufficient domestic supply, the exception being in some value-added markets such as decorative bathroom and kitchenware and specific steel products.

There are companies operating in Australia which are foreign-owned, either in total or in part. Foreign ownership can bring competition to the

Australian market, capital, new management techniques, new technologies, products and production processes.

While the imported component of residential construction has been traditionally low, it is by no means clear that greater import penetration will not occur in the future. This would change the structure of costs and components and could contribute to more affordable housing. Over time, the Australian economy will open up to a greater extent than now. The result will be greater competition.

Timber is the largest imported component used in residential construction. Moves to further "lock up" the forests may place greater demands (other things constant) on imported timber for dwellings in the future. The bulk of timber used in house construction is plantation pine rather than native forest timber. However, there is growing opposition in some areas to further encroachment of timber plantations on other land-use activities, particularly farming.

Table 4:
Canadian Exports to Australia During the Calendar Year 1995

Products	Calendar Year 1995 (Value – Million \$)
Non-refractory surfacing preparations for facades, walls, floors, ceilings	0.8
Refractory cements, mortars, concrete and similar compositions	2.5
Tubes, pipes & hoses, rigid, of polyethylene	2.6
Tubes, pipes & hoses, plastic, not reinforced, without fittings	10.8
Tubes, pipes & hoses, plastic, not reinforced, with fittings	5.3
Tubes, pipes & hoses, plastic	2.2
Fittings, plastic	278.5
Floor, wall & ceiling coverings and so on, of plastic	22.3
Doors, windows & frames & thresholds for doors, of plastic	21.8
Builders' wares of plastic	11.5
Builders' joinery & carpentry of wood	55.6
Art of stone, plaster, cement, asbestos, mica/sim mat	65.0
Bricks, blocks and so on, & ceramic goods of siliceous fossil metals or sim earths	2.0
Refractory ceramic goods, >50 percent of Al ₂ O ₃ or mx/compds alumina/silica Si	8.3
Tiles, cubes & sim, glazed ceramics	0.2

Table 4: Cont'd
Canadian Exports to Australia During the Calendar Year 1995

Products	Calendar Year 1995 (Value – Million \$)
Ceramic sinks, wash basins and so on, & similar sanitary fixtures of porcelain	16.8
Ceramic sinks, wash basins and so on, & similar fixtures	1.7
Doors, windows, frames & thresholds for doors of iron or steel	5.0
Equipment for scaffolding, shuttering, propping or pit-propping, l or s	53.5
Screws, bolts & nuts of copper excluding wood screws	0.4
Parts of cranes, wood-trucks, shovels, & other construction machinery	4,768.0
Tools for working in the hand, pneumatic rotary type	10.1
Tools for working in the hand, pneumatic type	79.9
Tools for working in the hand with self-contained non-electric motor	35.6
Pneumatic hand tool parts	76.1
Hand tools, parts of	1.6
Taps, Cocks, valves & similar appliances	995.8
Parts of taps, cocks, valves or similar appliances	390.3
Tools, hand-held, with self-contained electric motor	3.6
Parts of hand tools with self-contained electric motor	13.4
Prefabricated buildings	42.3

The drivers of innovation could favour foreign firms if Australian companies are unable to develop appropriate industry structures to capture new opportunities. While domestic market conditions and the size of the market may impede high overseas penetration of the house building

sector through automated production, market penetration by foreign competitors is likely to occur in high value-added materials, products and components most amenable to science-based research and development.

BUSINESS ENVIRONMENT

Overview

Canadian business travellers to Australia should not encounter any particular difficulties. Visitors should make preparations as they would when travelling in Canada, using normal reservation services for travel and accommodation, plus taking into account the requirement to have a valid Australian visa.

Despite the old image of being a far distant shore, travel time from Canada to Australia is comparable to that of other Asian destinations, a 14-hour non-stop flight from the West Coast, with a choice of flights and airlines. Most departures from Canada leave in the evening and arrive in Australia early in the morning (with a day skipped at the international date line). Some morning departures are available. Travel is also convenient to or from the rest of Asia, Europe, South America and South Africa. Around 30 international airlines fly into Australia every week from 37 countries around the globe.

Frequent interstate flights connect the five major Australian cities. Savings are available on internal air fares when purchased in conjunction with international tickets. Australia has a very extensive, efficient domestic transportation system including air, rail, coach, sea, chauffeured and rental cars, and urban public transport between cities and country areas, and within the urban areas.

Australia's many attractions as a tourist and holiday destination finally are becoming well known, and the country has a tourism boom that surpasses that of any other western country. In the past ten years, tourism has become Australia's largest export earner, with the number of international visitors increasing from 1.1 million in 1985 to 3.3 million in 1994.

Australia is a desired international destination for conventions and corporate meetings, and corporate incentive travel. Its convention centres and trade show facilities in capital cities and resort areas offer state-of-the-art technology, some accommodating as many as 10,000 delegates.

Many executives and conference delegates extend their stay in Australia with a holiday.

Business Customs

Doing business in Australia is comfortable for Canadian companies because the language, the cultural environment, business practices and customer expectations are very similar. Business etiquette is familiar to Canadians, with attention paid to advance planning, promptness, punctuality, and follow-through.

Australians are personally gracious, yet informal and direct in their business dealings. Very soon after meeting, Australians do business on a first name basis. Business cards are exchanged for information purposes, but without any special ceremony. Token gift exchange is not common. Luncheon meetings are common, but Australians do not usually schedule business functions during the evening or on weekends, which are dedicated to family and friends. Normal business attire is worn in the cities, with country areas being more informal.

Australia's three time zones, Eastern, Central and Western, are parallel to those in Asia. Eastern Time, (Sydney, Melbourne, Canberra, Brisbane, Cairns), is one hour ahead of Tokyo. The reversal of the seasons (and hence of daylight saving time in the Northern and Southern Hemispheres) complicates the time zone calculation. Between the months of April-October, when it is 8:00 a.m. in Vancouver and 11:00 a.m. in Toronto, it is 10:00 p.m. in Sydney and 8:00 p.m. in Perth. From November-March, at 8:00 a.m. in Toronto it is 12:00 p.m. in Sydney and 10:00 p.m. in Perth.

The following are some sample travel times to Australia:

- Los Angeles to Sydney; 14 hrs 20 mins
- New York to Sydney (via Los Angeles); 21 hrs 30 mins (via Japan) 25 hrs 20 mins
- Tokyo to Sydney; 9 hrs 20 mins
- Hong Kong to Sydney; 9 hrs
- Singapore to Sydney; 7 hrs 50 mins

The following are air travel times within Australia:

- Sydney to Melbourne; 1 hr 25 mins
- Sydney to Brisbane; 1 hr 25 mins
- Sydney to Perth; 4 hrs 50 mins
- Sydney to Canberra; 35 mins
- Melbourne to Brisbane; 1 hr 50 mins
- Melbourne to Perth; 4 hrs
- Brisbane to Perth; 6 hrs 20 mins

Australians tend to take their long annual holiday in December and January, combining Christmas and New Year celebrations with the long summer school holidays. Consequently, business slows down and it is sometimes difficult to make appointments. Business travellers should be sure their contacts will be available during this period before scheduling their trip.

Listed below are the national public holidays observed in Australia. Some dates may vary from state to state and individual states have their own additional public holidays. For example, all states have a public holiday for the Queen's Birthday, but the date varies.

**Table 5:
Holidays**

January 1	New Year's Day
January 26	Australia Day
March/April	Good Friday
March/April	Easter Monday
April 25	Anzac Day
December 25	Christmas Day
December 26	Boxing Day

Business Infrastructure

Office business hours generally are 9:00 a.m. to 5:00 p.m., Monday through Friday. Retail shops increasingly keep longer business hours and all city centres have evening shopping at least one day per week along with Saturday. However, Australia has not yet gone to the 7 day/24 hour shopping mode. Banks keep normal business hours Monday through Friday, with 7 day/24 hour ATM service. Restaurants and convenience stores are open long hours.

Australia's unit of currency, the Australian dollar (A\$), is freely-traded. The conversion rate is variable. Travellers cheques are accepted widely. Currency can be exchanged easily at international airports and most major banks, and ATM machines are everywhere. There are no major restrictions on importing or exporting currency or travellers cheques to and from Australia, although a customs declaration is filed when taking out large amounts of cash.

Australia's telecommunications infrastructure is excellent, and rates have reduced to become more competitive than prior to 1992, when there was only one network operator. Services to businesses include ISDN, Frame Relay, Email, voice messaging, electronic mail boxes, and faxstream. A number of companies provide call-back services by leasing excess capacity lines from the telecommunications operators, then offering national or international calls. The use of phone cards is common, and most major international phone cards can be used. Phone cards are available from numerous retail outlets.

For international travellers wanting to use a mobile phone, it is easier to rent one in Australia. Business visitors from Canada can use only Analog AMPS mobile phones in Australia, and even then, they must obtain a compliance certificate from the local manufacturer, plus an Electronic Serial Number (ESN). Compliance certificates cost between A\$100 and A\$400. Local manufacturers may say that telephones may be used without a compliance certificate for a short period of time by going to phone shops who could connect short-term users to the network directly. But phone shops, in turn, advise they will connect a mobile telephone only if it has a compliance certificate and ESN, and then only if the account will be paid by an Australian resident.

Facsimile services are available for public use in post offices, hotels, and some copying shops. The Australian Postal Corporation supplies modern and efficient postal services within Australia, and between Australia and overseas. Express delivery and insured service is available. Domestic and international faxes can be sent from post offices. Several international courier services operate from major cities offering express world-wide delivery of documents and packages.

The business traveller to Australia can choose from a full range of hotels, from budget to international standard. Bookings for major chains can be made before leaving Canada.

Accommodations range from rooms, to elaborate suites. Serviced apartment hotels with kitchens and living rooms are available. Most large hotels offer a full range of business and communications services including fax, word processing and copying. Temporary serviced office suites are available for short-term rent.

As in Britain and most of Asia, Australians drive on the left side of the road. Major Australian car rental agencies operate throughout the country. Reservations can be made through airports, hotels, travel agents, or directly, using a credit card and a Canadian or international driver's license. Throughout the urban areas, public transportation is well developed and safe.

Urban crime is not a common fear. Comfortable and convenient bus, rail, and air services are available between cities and country towns.

Distribution and Sales Channels

Market entry strategies for Canadian firms are straightforward. They include exporting of products and services through the use of agent and distributorships, license and technology transfers, franchise arrangements, joint ventures, strategic alliances, and wholly owned subsidiaries or branches. As Australia restructures economically, there are significant opportunities to participate in major public-funded projects and to win major infrastructure and services projects available through public sector divestment and privatization.

Channels of distribution are through direct sales, use of distributors or agents, and also through direct investment. Financing of exports is effected through open account, commercial bills of exchange (sight and time drafts), letters of credit, and cash in advance. Foreign exchange is readily available to the Australian importer through the local banks. There are virtually no exchange controls or import licensing required for imports of goods and services. Both direct and indirect foreign investment is encouraged with only minimal requirements for government review in certain sectors, such as residential housing.

Canadian businesses marketing their products in Australia usually establish relationships with sales agents, distributors, franchisees, and licensees.

Finding a Partner

Sales agents or representatives solicit business for the foreign company, and serve as a conduit for purchase agreements. In most cases, a sales agent does not have the power to negotiate terms, or to finalize the sales contract. Instead, the sales representative forwards the contract to the foreign company, which either accepts or rejects it. It should be noted, however, that because the sales representative is considered to be an agent of the foreign corporation, under the general laws of agency, the foreign corporation may be bound by the acts of its agent.

Agents assume a number of duties and obligations once a representation contract with a foreign company is finalized, including adherence to the principal's instructions, good faith in the interest of the principal, and maintenance of proper accounts. The agent retains the right to remuneration, and the right to an indemnity for liabilities or for losses incurred due to improper termination. However, there is no precedent for required indemnity payments in Australian law. Parties may stipulate specific causes for termination in the agreement. Either party may terminate the agreement upon receipt of reasonable notice of termination. Although no specific time period exists which defines a "reasonable notice period", courts may take into consideration the nature and length of the contract when determining whether reasonable notice was given.

A distributor acts as an independent contractor, purchasing products from the foreign corporation and distributing them to wholesale buyers or, on occasion, to retailers. Generally, the foreign corporation cannot restrain the distributor from selling competitors' products. However, because the distributor is not considered to be an agent of the foreign corporation, it is not bound by the acts of the distributor. It is common practice for Australian distributors to ask for exclusive geographic rights to market a foreign corporation's products. Because of the size of the market, these rights are often for several states or even nation-wide.

Joint Ventures and Licensing

Joint ventures are a common feature of Australia's commercial and legal environment. While there are some differences in the treatment of joint ventures between Australia and Canada, they are similar enough for Canadian investors to understand easily. They include:

- Unincorporated Joint Ventures may, in colloquial terms, be described as “contractual joint ventures” that do not create a separate corporate entity, and which lack equity capital, i.e., no shares are allotted for the consideration of a payment of money or money in kind. Such joint ventures look much like partnerships—because partnerships are also forms of contractual association that do not create a separate corporate entity or equity capital.
- Incorporated Joint Ventures are companies. The shareholders in the company are the joint venture participants. Unlike in an unincorporated joint venture or partnership, the shareholders have no rights in relation to the company's assets, and they can participate in the profits (distributed as dividends), but not in losses.
- Unit Trusts are devices that enable the separation of legal and beneficial interests in assets and the income derived therefrom. In a joint venture situation, the participants wish to ensure that their entitlements are fixed rather than discretionary. A unit trust is a configuration where the entitlement of beneficiaries is expressed in units relative to the total number of fixed units.
- Limited Partnerships are creations of statute. They remain a partnership at general law and, therefore, do not give rise to the existence of a separate legal entity. A limited partnership structure requires at least one general partner to have unlimited liability and limited partners who have liability limited to the extent of their investment in the partnership. They are used rarely in Australia.
- Hybrid Forms are forms of joint venture comprising elements of each of the preceding.

They can also be created to suit the needs of the particular participants. For example, one participant in an unincorporated joint venture could be the trustee of a unit trust, while one shareholder in an incorporated joint venture could also be the trustee of a unit trust.

Establishing an Office

Business rules are set by the Australian government and administered by the Australian Securities Commission (ASC). The requirements for starting a business are identical in each state, and the same rules apply for local and overseas companies.

Because Australian business practices are similar to those in Canada, it is easy for foreign investors, either in partnership with local companies or on their own account, to set up a business in Australia. A foreign company has a wide range of business structures from which to choose.

The most common forms of business organizations are: representative offices; branches of parent companies; subsidiaries; sole traders; partnerships; trusts; companies; and joint ventures. Overseas investors may set up an operation as any of these, irrespective of the business structure they have elsewhere.

Most significant businesses operating in Australia are incorporated as private or public companies. Under the Corporations Law, the entity is registered automatically as an Australian company enabling it to conduct business throughout Australia without further registration in individual states or territories. Local companies may be fully controlled by foreign owners.

All registered companies must conform to Australian company law administered by the ASC, including: accounting; financial statements; annual returns; auditing and general meeting requirements; and the necessity to maintain a registered office open to the public.

While the procedure to establish an office is fairly straightforward, as in Canada it is often done best with expert legal and financial advice readily available from Australian and multinational service providers.

Selling Factors and Techniques

While Canadians find it easy to do business in Australia because of the similarities in cultural and business practices, to understand the market better, there are some precautions to be observed, and some key selling factors to be considered.

Australians are very quality conscious. The principles that apply to all sales methods are: product quality, company integrity, and good ongoing service. With a history of geographic isolation, and reliance on imported manufactured goods, Australians are very sensitive to product reliability and assurances of back-up product service, where necessary.

Before entering the market, Canadian firms should evaluate their proposed selling technique thoroughly to ensure that it is responsive to market demand in Australia for their product, technology, or service. An effective way to evaluate the situation is to do some basic market research, followed by a personal visit. There is no substitute for a first-hand look.

Advertising and Promotion

Canadian companies can promote their products in the major newspapers of each Australian state, or national and state trade and industry magazines.

Pricing Products

Australia is a free enterprise economy, and basic market factors of supply and demand apply in product pricing. When adopting pricing methods, exporters should be aware of inherent local market characteristics. In order to compete successfully in this small, but generally highly-competitive market, Canadian exporters to Australia must be prepared to offer flexible prices, with, perhaps, lower than usual profit margins, and for smaller minimum quantities.

There are important elements for Canadian firms to bear in mind when pricing products for export to Australia. To structure prices competitively, suppliers should consider all the cost elements imported products have to bear. The key factors are freight rates, handling charges, import tariffs, marketing costs such as advertising and trade promotion, sales tax, plus agent or distributor commissions of up to 30 percent.

Imports from competing European nations and some Asian nations including Japan, face the same tariff rates as those from Canada. Tariff rates on imports from nations designated as developing countries are 5 percent less. Sea freight shipping costs from Canada to Australia are high when compared with those from Asia, and even from Europe. Sales tax is applied to most imported and locally-made products at the wholesale level.

This can make a difference to the end price of imported products, where sales tax is applied at a nominal wholesale value. If this nominal wholesale value is more than the mark-up generally applied by local manufacturers, imported products may be out-priced.

Australian wholesalers and retailers traditionally have sought the highest markup the market would bear, rather than thinking of volume buying or selling. This pattern is changing as open markets and the influx of franchisers and other high-volume businesses have alerted the increasingly cost-conscious consumer to competitive discount sales and services. Suppliers need to be able to deliver quality products and services at attractive prices. To compete successfully, exporters should consider granting maximum wholesale discounts, preferably based on marginal export pricing.

Australians respect the concept of “value for money”. Factors of price, quality, reliability and support in the way of service, are prime considerations when selling industrial products or capital equipment. While price is certainly a major factor, a purchaser may decide to pay more for a piece of equipment known to be of better quality and more reliable than a competing product. However, Canadian exporters must still be prepared to negotiate on price, or other aspects of the purchase.

In general, Australians are conservative when purchasing capital equipment to upgrade their manufacturing processes. They take time to make purchasing decisions, weighing them carefully against their perceived pay off—to increase bottom line profits. If the bottom line does not appear to offer much gain, they may simply defer their purchase. Constrictive labour agreements sometimes deter a manufacturer from investing in equipment that would result in operational efficiencies because resultant labour savings could

not be translated into bottom line profit. While labour reform is changing this situation in many plants, union restrictions can still be a real constraint.

Sales Service and Customer Support

Generally, doing business in Australia is simple for Canadian exporters, when compared with other foreign markets. Culture, language and business practices are remarkably alike. However, subtle cultural differences do exist that can either invigorate or undermine a business relationship. In their dealings, both Canadians and Australians are wise to take the time and effort to confirm that their perceptions and expectations about roles and responsibilities are consistent with those of their counterparts.

Depending on the product or service to be exported, Australian agents or distributors expect support from their Canadian suppliers. Examples of this support include product warranty for a specified time, training, advertising, and promotion.

Timely delivery of goods, including spare parts, is expected and is rarely a problem, as major North American freight forwarders have offices in Australia. Air freight is used commonly for smaller items. Shipping schedules are reliable. Where necessary, Canadian firms should ensure that their representatives can service the imported equipment or that there are service arrangements in place.

Selling to the Government

While Australia's government procurement regime generally is considered to be well documented and fair, with few restrictions to foreign bidders, there are a number of qualitative decision factors relating to local industrial development. It is very important for Canadian bidders on major public sector projects to understand, and to take these factors into account, in their bid structuring. This applies particularly to their consideration of whether to team with Australian industry partners, or to go it alone.

Although the Federal Government has abandoned the Civil Offset Program, it actively encourages local industry participation. A 1994 policy statement, strengthened its efforts to use government procurement policy to encourage local industry development. However, it stops short of directing its agencies to give preference to local suppliers. Bidders and purchasing agencies are required to submit separate industry impact statements.

Some Australian purchasing preferences still exist in state government procurement. These mostly are hold-overs from the times when offsets were a significant feature of both federal and state government procurement. The states now are following the federal lead in dismantling offsets as their perceived benefits have been discredited. However, as in federal procurement, the states actively encourage local industry to develop activities as components of major procurement.

Protecting Your Intellectual Property

Patents, trademarks, industrial designs and integrated circuits are protected under Australian law; and, Australia is a member of the major global intellectual property protection organizations and conventions. Canadian patent holders planning extensive sales or manufacturing in Australia should not assume that a Canadian patent provides comparable protection in Australia, and should seek legal advice as to the advisability of registering their patent under Australian law.

Patents are available for inventions in all fields of technology under the Patent Act of 1990. Trade secrets are protected by registration under the Designs Act for one year, with extensions. Trade names and marks may be protected for seven years and renewed at will by registration under the Trademark Act of 1955. Once used, trade names and marks may also, without registration, be protected by common law.

The Australian Patent, Trademarks and Designs Office of the Australian Industrial Property Organization handles enquiries regarding laws, regulations and procedures applicable to patents, trademarks, other industrial property rights protection, and copyrights.

Need for Local Legal Assistance

As in Canada, in Australia it is common practice—and good business sense—to retain the services of a reputable lawyer familiar with local business conditions, local law, and regulations. Legal expertise is needed to execute legal documentation, interpret laws and regulations, and resolve disputes. Most businesses also use the services of a professional accounting firm.

Many well-known local and international law and accounting firms practice in Australia, some with offices throughout Asia and North America.

Regulatory Issues

Australia's long-standing policy of using tariffs to protect its local industry began changing in the early 1970s, and was accelerated in 1988 by the federal government's program of economic reform directed toward moving the country toward a globally competitive economy. Initially, general in scope, the program now is focussed on microeconomic changes to help business become more competitive.

The strategy has three principal premises: tariffs and other forms of protection must be reduced; industry must drop its preoccupation with protection and turn its attention to becoming more competitive; and, improvements must come from both labour and management.

On a trade-weighted basis, Australian duties on manufactured goods average just over 4 percent, with 94 percent of its industrial tariff lines GATT-bound.

Although Australia became a signatory to the GATT Standards Code on March 1, 1992 (and has now acceded to the World Trade Organization (WTO) Agreement on Technical Barriers to Trade), it maintains some restrictive standards requirements and design rules that have an impact on the free flow of goods. However, Australian standards are being rewritten in a number of areas to bring them into conformity with Australia's new international obligations under various trade agreements.

There are no import taxes in Australia. The Australian government does, however, impose a tax on the sale of both domestically manufactured and imported goods. Generally speaking, for

domestic consumption, the tax is imposed on the last wholesale sale. The wholesaler or manufacturer, upon whom the tax is imposed, can, in turn, pass the tax on to the retailer who, in turn, passes it to the consumer. There is no additional retail sales tax imposed at last retail point of sale. Manufacturers and wholesale merchants are required to register for sales tax.

Importers of goods who are not manufacturers or wholesalers are not required to register, but are liable for sales tax on the entry of goods into Australia.

The general rate of this tax is 21 percent of the sale value (broadly equal to the fair wholesale value) of the goods. There are a large number of exempt goods set out in a schedule to the Sales Tax (Exemptions and Classifications) Act. There are also categories of goods subject to tax at 11 percent (household goods) and 31 percent (luxury goods). Exporters should clarify with their agent, distributor, or representative the tax level to be imposed on their goods and take this into consideration in calculating product pricing.

Australia's anti-dumping legislation defines dumping as occurring when the FOB price at which goods are exported to Australia (the "export price") falls below the price at which the same goods are sold domestically in the country of export. When dumping is found to occur, dumping duties are imposed on the importer.

EDC Financial Risk Assessment

The Export Development Corporation (EDC) helps Canadian companies compete in world markets through the provision of financial and risk management services. These include export credit insurance, financing to foreign buyers of Canadian goods and services, and guarantees.

The following information was obtained from the EDC Country Risks and Opportunities book (fall, 1996).

Current Market Conditions

Australia's economy kept humming along in 1996. Economic growth was unexpectedly strong in the first quarter of 1996, with output up by an annualized 7 percent over the last quarter of 1995. Although growth fell off in the second quarter, the Australian economy in the first half was still

4 percent higher than the same period the previous year. The main drivers of growth have been exports and business investment spending although consumer spending has held up reasonably well.

Government spending has contracted. For early 1997, reasonably good growth overall is expected, given the improvement in the Japanese economy, Australia's major trading partner. But, quarters of stellar growth are behind.

Government spending will exert a drag on the economy. The central aim of the current administration's maiden budget is the elimination of 1995's A\$9.6 billion deficit. In August 1996, the government announced net budget cuts worth A\$4 billion in fiscal 1996-97 with a further A\$3.2 billion in cuts targeted for the following year.

Consumer spending growth will moderate. Personal disposable incomes have been held back by a contraction in employment and very subdued wage gains. However, households dipped into savings and increasing debt loads in order to finance a healthy 4.5 percent increase in spending in the first half of 1996. Although consumer spending will receive a small boost over the next two years from a package of tax benefits worth A\$1 billion directed at low and middle-income families, the low level of savings and growing worries about job security will have a moderating influence on spending growth.

Investment spending will be mixed. Public sector capital spending will be constrained by fiscal considerations while the capital expenditure of public sector companies, which was exceptionally strong in the first quarter due to special factors, will fall back to more normal levels. Private business capital spending, on the other hand, is showing no signs of slowing down despite the current high interest rates. The imperative to

invest in labour saving machinery and equipment will continue to boost private sector investment.

Credit Quality Trends

Bankruptcies are at their lowest levels in this business cycle, pointing to generally better times among Australian businesses. However, despite the optimism, there are still some sectors in the economy that have a tough time, notably retailing, the fashion clothing and building sectors.

Corporate profits rose strongly in the first quarter of 1996. Large gains in corporate profits were recorded by large service companies, transport and storage, and property and business services. Many business services companies benefitted from flow-on effects associated with the breaking of the drought, and thus increased rural output. In the mining sector, however, before-tax profits tumbled. This was a result of a mix of factors – lower export sales, especially of aluminum, black coal, iron ore, crude oil and diamonds; lower prices for coal and some metals; and exchange rates. The outlook for corporate profits is positive, with the mining sector likely to recover from its woes. Service companies tied to the agrifood sector are expected to continue to profit from the strong fundamentals of the rural sector.

The Australian business climate will likely remain benign. A moderate economic growth will keep corporate profits in the positive territory, and bankruptcy levels should remain close to historical average towards the end of the year and in early 1997.

Collection Experience

The overall collection experience is good. Open account trading terms are the norm in Australia. In regards to credit or financial issues, care should be taken in analyzing buyer creditworthiness, as many firms are under capitalized.

Canada Mortgage and Housing Corporation

Housing Export Centre

700 Montreal Road
Ottawa, Ontario K1A 0P7

Tel.: 1-800-465-6212 or
(613) 748-2000
Fax: (613) 748-2302

Canadian Government Departments and Services

Department of Foreign Affairs and
International Trade (DFAIT)

InfoCentre
Lester B. Pearson Building
125 Sussex Drive
Ottawa, ON K1A 0G2

Tel.: 1-800-267-8376 or
(613) 944-4000
Fax: (613) 996-9709
FaxLink: (613) 944-4500
InfoCentre Bulletin Board:
Tel.: 1-800-628-1581 or
(613) 944-1581

Asia and Pacific Trade Division
South Pacific Division (PSP)
125 Sussex Drive
Ottawa, ON K1A 0G2

Tel.: (613) 995-7652
Fax: (613) 996-4309

Canadian High Commission in
Australia

Commonwealth Avenue
Canberra, ACT 2600
Australia

Tel.: (0011-61-6) 273-3844
Fax: (0011-61-6) 270-4069

Canadian Consulate General

Level 5, Quay West
111 Harrington Street
Sydney, N.S.W.
Australia 2000

Tel.: (0011-61-2) 364-3000
Fax: (0011-61-2)
364-3098/3097

International Trade Centres

Newfoundland

International Trade Centre
P.O. Box 8950
Atlantic Place
215 Water Street
Suite 504
St. John's, NF A1B 3R9

Tel.: (709) 772-5511
Fax: (709) 772-5093

Prince Edward Island

International Trade Centre
P.O. Box 1115
Confederation Court Mall
134 Kent Street
Suite 400
Charlottetown, PE C1A 7M8

Tel.: (902) 566-7443
Fax: (902) 566-7450

Nova Scotia

International Trade Centre
P.O. Box 940, Station M
1801 Hollis Street
Halifax, NS B3J 2V9

Tel.: (902) 426-7540
Fax: (902) 426-5218

New Brunswick

International Trade Centre
1045 Main Street
Unit 103
Moncton, NB E1C 1H1

Tel.: (506) 851-6452
Fax: (506) 851-6429

Quebec

International Trade Centre
5 Place Ville-Marie
Seventh Floor
Montreal, PQ H3B 2G2

Tel.: (514) 283-6328
Fax: (514) 283-8794

Ontario

International Trade Centre
Dominion Public Building
1 Front St. West
Fourth Floor
Toronto, ON M5J 1A4

Tel.: (416) 973-5053
Fax: (416) 973-8161

International Trade Centres (cont'd)

Manitoba	International Trade Centre P.O. Box 981 330 Portage Avenue 8th Floor Winnipeg, MB R3G 2V2	Tel.: (204) 983-5851 Fax: (204) 983-3182
Saskatchewan	International Trade Centre The S.J. Cohen Building 119-4th Avenue South Suite 401 Saskatoon, SK S7K 5X2	Tel.: (306) 975-5315 Fax: (306) 975-5334
Alberta <i>* Edmonton office is also responsible for Northwest Territories</i>	International Trade Centre Canada Place 9700 Jasper Avenue Room 540 Edmonton, AB T5J 4C3 510-5th Street S.W. Suite 1100 Calgary, AB T2P 3S2	Tel.: (403) 495-2944 Fax: (403) 495-4507 Tel.: (403) 292-4575 Fax: (403) 292-4578
British Columbia <i>*Vancouver office is also responsible for the Yukon</i>	International Trade Centre 300 West Georgia Street Suite 2000 Vancouver, BC V6B 6E1	Tel.: (604) 666-0434 Fax: (604) 666-0954

Export Development Corporation (EDC)

Ottawa	151 O'Connor Street Ottawa, ON K1A 1K3	Tel.: (613) 598-2500 Fax: (613) 237-2690
Vancouver	One Bentall Centre 505 Burrard Street Suite 1030 Vancouver, BC V7X 1M5	Tel.: (604) 666-6234 Fax: (604) 666-7550
Calgary	510-5th Street S.W. Suite 1030 Calgary, AB T2P 3S2	Tel.: (403) 292-6898 Fax: (403) 292-6902
Winnipeg <i>*office also serves Saskatchewan</i>	330 Portage Avenue Eighth Floor Winnipeg, MB R3C 0C4	Tel.: (204) 983-5114 Fax: (204) 983-2187
Toronto	National Bank Building 150 York Street Suite 810 P.O. Box 810 Toronto, ON M5H 3S5	Tel.: (416) 973-6211 Fax: (416) 862-1267
London	Talbot Centre 148 Fullarton Street Suite 1512 London, ON N6A 5P3	Tel.: (519) 645-5828 Fax: (519) 645-5580
Montreal	Tour de la Bourse 800 Victoria Square Suite 4520 P.O. Box 124 Montreal, PQ H4Z 1C3	Tel.: (514) 283-3013 Fax: (514) 878-9891
Halifax	Purdy's Wharf, Tower 2 1969 Upper Water Street Suite 1410 Halifax, NS B3J 3R7	Tel.: (902) 429-0426 Fax: (902) 423-0881

Australian Government Offices in Canada

Australian High Commission	50 O'Connor Street Suite 710 Ottawa, ON K1P 6L2	Tel.: (613) 236-0841 Fax: (613) 234-3444
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Australian Government Offices in Canada (cont'd)

Consulate General	175 Bloor St. East, Suite 314 Toronto, ON M4W 3R8	Tel.: (416) 323-1155 Fax: (416) 323-3910
Consulate General	World Trade Centre 602-999 Canada Place Vancouver, BC V6C 3E1	Tel.: (604) 684-1177 Fax: (604) 684-1856

Multilateral Organizations*

World Bank	Washington, DC 20433 U.S.A.	Tel.: (202) 477-1234 Fax: (202) 477-6391
Office for Liaison with International Financial Institutions	Canadian Embassy 501 Pennsylvania Avenue N.W. Washington, DC 20001	Tel.: (202) 682-7719 Fax: (202) 682-7726

Business and Professional Organizations in Canada

Asia Pacific Foundation	666-999 Canada Place Vancouver, BC V6C 3E1	Tel.: (604) 684-5986 Fax: (604) 681-1370
Alliance of Manufacturers and Exporters Canada	99 Bank Street, Suite 250 Ottawa, ON K1P 6B9	Tel.: (613) 238-8888 Fax: (613) 563-9218

Canadian Banks in Australia

Royal Bank of Canada	350 George Street Suite 202, GPO Box 3524 Sydney, NSW 2000, Australia
Toronto-Dominion Australia Limited	Level 36, State Bank Centre 385 Bourke Street Melbourne Victoria, Australia 3001

Shipping and Handling Charges

Points	Canada Regular Rates	Canada Courier Rates	U.S. Regular Air Rates	U.S. Courier Rates	International Regular Air Rates	International Courier Rates	Europe Courier Rates
1	2.55	5.00	5.00	11.00	7.00	24.00	19.00
2	3.65	8.00	6.50	14.00	9.00	30.00	25.00
3 to 5	5.80	11.07	8.11	30.75	12.18	63.75	47.75
6 to 10	6.18	11.07	12.46	34.75	20.61	88.75	55.75
11 to 20	6.43	12.35	18.08	42.75	38.77	118.75	71.75
21 to 40	6.94	14.90	23.81	58.75	64.65	193.75	103.75
41 to 60	7.44	17.62	29.48	74.75	68.12	253.75	129.75
61 to 80	7.95	20.51	35.15	90.75	117.36	313.75	149.75
81 to 100	8.45	23.35	40.92	106.75	146.60	373.75	169.75
101 to 120	8.96	26.20	46.59	120.75	166.71	433.75	189.75
121 to 140	9.46	29.05	52.31	134.75	184.72	493.75	209.75
141 to 160	9.97	31.90	58.00	148.75	207.45	553.75	229.75
161 to 180	10.47	34.75	63.71	162.75	228.92	613.75	249.75
181 to 200	10.98	35.60	69.38	176.75	250.29	658.75	269.75
201 to 220	11.48	40.45	75.05	190.75	N/A	718.75	289.75
221 to 240	11.99	43.30	80.72	204.75	N/A	778.75	309.75
241 to 260	12.49	46.15	86.49	218.75	N/A	838.75	329.75
261 to 280	13.00	49.00	92.21	232.75	N/A	901.75	349.75
281 to 300	13.50	51.85	97.88	246.75	N/A	958.75	369.75
Estimated Delivery times	2-3 weeks	5-10 days	2-3 weeks	5-10 days	4-8 weeks	12 days	12 days

Prices Subject to Change

CMHC Return Policy

We will replace damaged materials and correct shipping errors if we are notified within thirty days after you receive your shipment. If an item is not defective or not mistakenly shipped, then it must be returned by you at your cost within thirty days of receipt. It must arrive here in resaleable condition for you to receive credit.

International Note: Most international return shipments arrive damaged. If you received damaged items, contact CMHC at (613) 748-2969. Please do NOT return the damaged items unless we ask.

Example: To complete order form and determine shipping and handling charges

ORDER NUMBER	REPORT TITLE <small>Please be sure the order number and report title match the listing</small>	<div>1</div> QTY	<div>2</div> ITEM AMOUNT \$	<div>3</div> TOTAL AMOUNT <div>1 x 2</div>	<div>4</div> SHIPPING POINTS	<div>5</div> TOTAL SHIPPING POINTS <div>1 x 4</div>
NHA 8003	Brazil	1	35.-	35.-	3	3
NHA 8033	South Korea	2	35.-	70.-	3	6
					3	
					3	

TAX TABLE

7% GST applicable to all items. PST/HST/GST applicable to shipping. for PEI and Québec, PST is calculated on shipping plus GST.

U.S. and International orders, please pay subtotal C in U.S. funds.

Province	GST	PST	HST
Alberta	7% of C	-	-
B.C., Manitoba, & Sask.	7% of C	7% of B	-
Ontario	7% of C	8% of B	-
N.B., N.S., NF	7% of A	-	15% of B
Québec	7% of C	6.5% of B + GST	-
P.E.I.	7% of C	10% of B + GST	-

GST Registration # 100756428

Subtotal Column 3

A
105.-

Subtotal
Column 5

9

ADD Shipping & Handling
Regular Mail ☒ Courier ☐

B
6.18

Subtotal
(Add A + B)

C
111.18

Appropriate Taxes
(refer to table at left)

D
7.78

Total
(Add C + D)

E
118.96

Refer to Shipping
and Handling Charges
on the back of this
form for the shipping
and handling amount.

CMHC's Housing Export Opportunities series contains up-to-date, relevant information on foreign housing markets for the Canadian Housing industry. Our country reports provide you with the market research and analysis you need to make the right business decisions about today's most dynamic offshore housing markets.

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